

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1658 – SB 2119**

March 4, 2016

**SUMMARY OF BILL:** Extends the open container law to passengers in a motor vehicle. Excludes passengers in vehicles for hire, or in the living quarters of a house coach or house trailer, or passengers in a vehicle being operated by a chauffeur. Creates Class C misdemeanor, punishable by fine only, for violation of open container law to any such applicable passengers.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$17,800**

**Increase Local Revenue - \$900**

**Other Fiscal Impact – Possible reallocations of federal funding received from the National Highway Performance Program and the Surface Transportation Program from capital improvements or planning for highways to highway safety training purposes.**

Assumptions:

- Based on information provided by the Department of Safety (DOS) and the Tennessee Sheriffs Association, an estimated additional 500 violations per year by passengers will occur.
- A 75 percent collection rate; 25 percent will not be collected due to indigence.
- The estimated fine for violations of the provisions of the bill is \$50.
- According to DOS, 95 percent of such fine revenue is allocated to the state General Fund; five percent is allocated to local government.
- The recurring increase in state revenue to the General Fund beginning in FY16-17 is estimated to be \$17,813 ( $500 \times \$50 \times 75.0\% \times 95.0\%$ ).
- The recurring increase in local revenue beginning in FY16-17 is estimated to be \$937 ( $500 \times \$50 \times 75.0\% \times 5.0\%$ ).
- Any additional cost to state and local government for enforcement of the open container law relative to passengers is estimated to be not significant.
- According to the Department of Transportation (TDOT), this bill does not meet the Federal Highway Administration requirements.
- TDOT indicates this bill could change required uses for federal funds received through the National Highway Performance Program and the Surface Transportation Program.

Specifically, the department indicates that federal monies received may have to be used more for behavioral and safety projects and be used less for transportation expansion projects. The extent of any such impact is unknown and dependent upon unknown factors.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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